

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

ORIGINAL

In the Matter of)
)
Telecommunications Services) CS Docket No. 95-184
Inside Wiring)
)
Customer Premises Equipment)

RECEIVED

DEC 23 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

COMMENTS

MCI Telecommunications Corporation (MCI) hereby submits comments on the following issues raised in the Report and Order and Second Further Notice of Proposed Rulemaking¹ in the above-captioned proceeding.

I. EXCLUSIVE CONTRACTS

The Commission asks for comments about exclusive contracts between multichannel video programming distributors (MVPD) and multiple dwelling unit buildings (MDUs). Specifically, the Commission seeks comment on whether it should adopt a cap on the length of exclusive contracts for all MVPDs that would limit the enforceability of exclusive contracts to the amount of time reasonably necessary for an MVPD to recover its specific capital costs of providing service to that MDU. The Commission asks for comments on an approach under which a presumption that all existing and future exclusivity provisions would be enforceable for a maximum term of 7 years, except for exceptional cases. The Commission also asks whether the MDU owners should be

No. of Copies rec'd
List ABCDE

014

¹ In the Matter of Telecommunications Services Inside Wiring, Report and Order and Second Further Notice of Proposed Rulemaking, CS Docket No. 95-184, FCC 97-376 (released October 17, 1997).

afforded an opportunity to terminate the exclusive contract and retain the inside wiring, in exchange for a payment to the provider compensating it for unrecovered investment costs. In the alternative, the FCC asks for comment on whether it should only limit exclusive contracts where the MVPD involved possesses market power.

As recognized by the Commission, long-term exclusive contracts raise anti-competitive concerns because they lock up properties, preventing consumers from receiving the benefits of a newly competitive market. It is clear from current experience that if competitors do not have the ability to access premises, consumers will not enjoy the benefits of competition. Thus, MCI supports the adoption of Commission rules that would facilitate the ability of competitors to access premises. Specifically, the Commission should prohibit service providers from entering exclusive contracts for MDU buildings and the incumbent service provider should be required to provide access to competitive service providers. If, however, the Commission does not prohibit service providers from entering exclusive contracts for MDU buildings, contract terms should be limited to no more than 3 years. This period is short enough to reduce the anticompetitive impact of an exclusive contract on alternative providers and, yet, it is a long enough period to allow the MVPD to recover its specific capital costs of providing service to an MDU. In addition, MDU owners should be afforded an opportunity to terminate the exclusive contract and retain the inside wiring, in exchange for a payment to the provider compensating it for unrecovered investment costs.

II. CABLE HOME WIRING

The Commission seeks comment on its proposal to apply its cable home wiring rules for single-unit installations to all MVPDs in the same manner that they apply to cable operators. The Commission also proposes to expand to all MVPDs the rule regarding the right of cable

subscribers, prior to termination of service, to provide and install their own cable home wiring and to connect additional home wiring to the wiring installed and owned by the cable operator.

MCI supports these Commission proposals. The Commission is correct that applying the cable home wiring rules to all MVPDs would "promote competitive parity and facilitate the ability of a subscriber whose premises was initially wired by a non-cable MVPD to change providers."²

III. CONCLUSION

Based on the foregoing, MCI requests that the Commission adopt rules as discussed herein.

Respectfully submitted,

MCI Telecommunications Corporation

By:



Mary J. Sisak

Mary L. Brown

1801 Pennsylvania Avenue, N.W.

Washington, D.C. 20006

(202) 887-2605

Its Attorneys

Dated: December 23, 1997

² Further Notice at para. 267.